

A special focus in 2001 – helping business become more involved in the community

Working with businesses to involve them in their immediate neighborhoods and in programs that address broader community needs will be a priority for the City of Sunnyvale this year. Increased communications, outreach and marketing will promote contact between businesses and City government. Not only will this help to educate the business community about the City’s “performance-based” economic development activities, it will demonstrate the City’s commitment to helping its corporate citizens be fully integrated into and appreciated by the community.

Business adds value to Sunnyvale

The business community contributes more than 60% of total revenues to the City of Sunnyvale General Fund through sales tax, property tax, business licenses and other business-related permit and license fees. By contrast, approximately 25% of the General Fund is used to support services to the business community.

The City of Sunnyvale has a national reputation for being a well-managed, “business friendly” city. A recent survey confirms that local business leaders believe Sunnyvale is “a great place to do business” because of its favorable tax environment, its talented and skilled workforce, its access to important markets and suppliers, and its central location in the most influential business community in the world – Silicon Valley.

Yahoo! Inc in Moffett Park is an example of the New Economy businesses that now call Sunnyvale their home



This piece of public art, called "Murphy Street Scene," celebrates the role of business and commercial enterprise in the community

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Overarching Goals of Economic Development in the City of Sunnyvale

- Enhance Sunnyvale’s position in the Bay Area’s innovation and knowledge-based economy
- Maintain a high quality of life through a stable tax base
- Retain and encourage local business expansion
- Strategically attract new businesses
- Increase investment and economic activity
- Maintain a positive business climate

A 6-part strategy for 2001

1. Focus on industry clusters – Retail and Hospitality, Office and Industrial, and Business Partnerships – and customize government services to meet the differing needs of small, medium and large businesses
2. Take action on the recommendations generated at business forums on land use, transportation, education and housing while recognizing that these are regional quality of life issues that will require new partnerships and cooperation for solutions

City of Sunnyvale
Economic Prosperity
Report 2001

“Sunnyvale has key ‘top-line’ economic growth indicators that many U.S. cities would like to mirror.”

Tapan Munroe,
economist and research consultant



3. Work closely with downtown businesses during redevelopment of the City’s central business district
4. Communicate, outreach and market the benefits of doing business in Sunnyvale and the importance of business to the community
5. Develop specific actions in Sunnyvale that can be measured and will contribute to regional solutions
6. Encourage strong working relationships among members of the City’s business community and residents

In a fluctuating economy, business diversity is the best way to protect a healthy economy. During 2001, the City of Sunnyvale will continue to profile the industries of the “New Economy” and to encourage emerging businesses of many types to locate and remain in Sunnyvale.

Analysis of Sunnyvale’s Economic Structure

Primary and secondary research conducted in 1999 and 2000 provides valuable insight into the composition of Sunnyvale’s business community. A detailed summary of the research can be obtained at www.ci.sunnyvale.ca.us/community-dev/economic

Sunnyvale is home to a growing number of businesses and jobs

- Sunnyvale had more than 9,000 licensed businesses as of December, 2000, a 13% increase over 1998 statistics.
- The total number of jobs in Sunnyvale increased 22.6% between 1992-2000 to 93,609.

Manufacturing and a small number of large companies dominate the economy

- Manufacturing accounts for more than one-half of the Sunnyvale economy – a larger percentage than other communities in the Bay Area. By contrast, retail and services are a lower percentage of the economy in Sunnyvale compared to other nearby cities.
- Just 24 companies in Sunnyvale account for approximately 40,000 or almost half of the total jobs in the local economy. These firms alone generate \$8 billion in annual sales.

Size of business means different perspectives & priorities

Research conducted in 2000 found significant differences in the opinions of large, medium and small businesses about their commitment to doing business in Sunnyvale. Larger businesses tend to be less “anchored” to their Sunnyvale location and are more likely to relocate to alternative locations. Proactive business retention programs are necessary to keep these important corporate citizens.

Although businesses of all sizes agree that public safety and fire services are very important, they differ on other issues of concern.

What Businesses Think Is Important

Small to medium-sized businesses say ...

- “Business friendly” regulations
- Attention to local telecommunications resources
- Awareness of the City’s efforts to enhance local business environment
- Support for small office and home office based businesses
- City assisted business location and financing services
- Employment training and/or placement

Larger businesses and organizations say ...

- Being part of an “industry cluster” rather than a specific geographic area
- Local tax costs
- Awareness of the City’s effort to enhance the local business environment
- Employment training and/or placement



The new Cherry Orchard Apartments on El Camino Real add much-needed housing

Business forums discover what concerns Sunnyvale businesses

Four issues also high priorities for residents and the region

A series of business forums in 2000 was sponsored by the City of Sunnyvale Economic Prosperity Program and the Sunnyvale Chamber of Commerce. The goal was to identify those issues the local business community consider critical to their economic vitality. The four top concerns – land use, transportation, education and housing – are also the topics identified in other research as high priorities for the region and Sunnyvale residents.

Many of the recommendations that resulted from the business forum for potential action steps are being incorporated into the economic development program strategy for 2001 and later years.

Land Use – Sunnyvale still a desirable business location despite rising land values and aging properties

New Economy companies prefer highly-functional buildings with quality design and amenities. The majority of Sunnyvale’s current office and R&D buildings were built before 1980 and are technologically obsolete. Sunnyvale’s older industrial areas are prime for development of new Class A office space to meet the growing demand.

Transportation – More transit alternatives needed to reduce congestion and attract workers

Companies of all sizes are concerned about providing employees with a variety of alternative transportation options including public transit, carpooling, and safe bicycle and pedestrian opportunities. Reliability, cost and convenience are important factors.

Education – Companies want to support education initiatives

Many local businesses are involved with programs related to education in one way or another such as support for policy changes, direct financial or in-kind contributions to schools, partnerships and volunteer-in-the-schools efforts. Businesses worry that the lack of affordable housing will impact the ability of school districts to retain experienced K-12 teachers.

Housing – High costs and insufficient inventory hinders ability to recruit and retain skilled workforce

Businesses are concerned about the lag of housing production behind job growth in the region, which has led to higher prices and insufficient inventory of housing options at all price levels for their employees. They are finding it increasingly difficult to recruit and retain a skilled workforce because of housing costs and longer commutes.



Multiple construction projects in the downtown are revitalizing Sunnyvale’s central business district

“We saw Moffett Park in Sunnyvale as the 'sweet spot' for locating our new corporate headquarters. It's at the center of Silicon Valley and the City has been a great partner to work with.”

Thom Bryant, Vice President, Workplace Resources Network Appliance

“Philips, one of the world's largest electronic companies, selected Sunnyvale to locate its new Philips Silicon Valley Center, where representatives of our product divisions from around the world could form a hub of new business activity. Sunnyvale, the heart of Silicon Valley, has a long history of innovation, collaboration and technological expertise that provides the ideal foundation for Philips to build strategic alliances, and to attract and retain high tech employees. Even the name, Sunnyvale, perfectly describes the outstanding business climate and friendly populace.”

Keith Flagler, Vice President and General Manager Philips Silicon Valley Center



Network Appliance, Moffett Park, is one of several major corporations headquartered in Sunnyvale